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C O N F I D E N T I A L SECTION 01 OF 02 BUENOS AIRES 000320

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E.O. 12958: DECL: 03/12/2028

TAGS: PREL ECON AR

SUBJECT: (U) ON A ROLL: ARGENTINE FOREIGN MINISTRY FACES

STRING OF SETBACKS

REF: (A) BUENOS AIRES 0146 (B) BUENOS AIRES 0230 (C)

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Classified By: Ambassador Wayne for reasons 1.4 (b) & (d).

11. (SBU) Summary: Argentine Vice FM Roberto Garcia-Moritan reportedly offered his resignation to FM Taiana March 11. Although he claimed the resignation was motivated by "personal matters" after almost 40 years in Argentina's foreign service, the press attributes his move to a string of public relations disasters, reported scandals and missteps of the MFA. Largest-circulation daily newspaper "Clarin" claims that President Cristina Fernandez de Kirchner (CFK) is looking to name a political appointee to the position, long held by career diplomats. End summary.

Car Scandal

- 12. (SBU) Garcia-Moritan's resignation coincided with the resignation of another senior MFA official, Marcelo Pujo, head of protocol. Pujo's resignation, however, was directly linked to the ongoing court investigation of the MFA's role in the sale of duty-free vehicles to non-diplomats (ref A), including a luxury Audi for the wife the MFA official in charge of duty exemptions. The MFA's lack of internal controls have also been questioned recently in court investigations of the sale of visas to Chinese individuals and of some currency exchange transactions that benefited Argentine diplomats overseas.
- 13. (SBU) The Argentine MFA is actually the Ministry of Foreign Affairs, International Trade and Worship. Since September 2004, Garcia-Moritan had been the U/S for Foreign Policy, essentially making him FM Taiana's deputy for the international relations portion of his portfolio. Garcia-Moritan, 60, claimed he was resigning the VFM position to attend to "personal matters" after almost 40 years in the Argentina's foreign service. The local press is portraying his departure as the consequence of a long string of missteps by the MFA, including the following.

Foreign Policy Crisis Marred CFK Honeymoon

14. (C) CFK's first month in office was scarred by her administration's heated over-reaction to allegations by a Venezuelan defendant in a Miami court case that a suitcase full of cash had been destined for her presidential campaign. The MFA was shut out of the Kirchners' inner circle that defined the GOA's stance in the seven-week brouhaha that followed, and the MFA did not play much of a role in the resolution of the dispute. It was repeatedly pointed out by the press that Planning Minister De Vido, not FM Taiana and

his MFA staff, runs relations with Venezuela.

"Bungle in the Jungle"

15. (SBU) Later in December, less than three weeks after CFK's inauguration, former president Nestor Kirchner was ridiculed for his role, with FM Taiana at his side, in the Chavez-orchestrated "bungle in the jungle" that failed to secure the release of FARC hostages. Although Kirchner claimed vindication with the following month's release of some hostages, pundits thought the contrary: the January hostage release proved Kirchner and the other international "guarantors" had been unnecessary.

Out of Africa

16. (SBU) When Teodoro Obiang, the leader of Equatorial Guinea, arrived February 12 for the first state visit of CFK's administration, the media and opposition asked why the GOA was rolling out the red carpet for Obiang given his much-questioned human rights record. The MFA was at a loss to explain why tiny Equatorial Guinea merited such priority treatment. CFK, in an effort to protect her own human rights credentials, then publicly told Obiang of her "profound concern for the human rights situation" in his country, a remark that was criticized for its lack of specificity as well as its lack of graciousness toward an invited guest. (After returning to his capital, Obiang retorted that he "did not need lessons on human rights from Argentina of all countries.") There were credible press reports of a high-decibel CFK tantrum directed at Taiana for having put her on the spot with the Obiang visit. The embarrassing incident suggested, at a minimum, poor staffing for CFK by

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the MFA.

No from Bolivia, No from Brazil

17. (C) Another case of poor staffing and advice on international engagement appeared to be CFK's February 23 summit meeting in Buenos Aires with her Bolivian and Brazilian counterparts (ref B). Having fueled high expectations that the summit would yield a solution to Argentina's impending energy crunch, the GOA's results were disappointing. The Bolivians noted their near-term inability to meet contractual gas supplies to Argentina, and the Brazilians emphatically rejected CFK's request that Brazil cede to Argentina a small share of the gas it receives from Bolivia to help Argentina meet anticipated high domestic demand this year. The Brazilian Ambassador to Argentina told the Ambassador that CFK had been very poorly served by her staff in the opinion of Brazilian Officials.

Affronting the Vatican

18. (SBU) The Argentine media had a field day with CFK's nomination of Alberto Iribarne, Minister of Justice in her husband's administration, as ambassador to the Holy See. As the Vatican failed to respond to the GOA's request for agrement, it leaked that it could not accept Iribarne because he was Catholic yet divorced and living with a new partner. The GOA's initial reaction to the press criticism was to dig in its heels and insist on Iribarne's worthiness. Iribarne ultimately withdrew his name from consideration, but only after the CFK administration suffered additional ridicule for taking on the Catholic Church. A well-placed Argentine told the Ambassador before the scandal blew that the MFA had not flagged this problem for the Casa Rosada before the nomination went forward.

Problems with Uruguay

19. (SBU) Although Garcia-Moritan has not been personally held responsible for any of the above missteps, he was publicly identified as the GOA lead in negotiating with Uruguay on the dispute over the Botnia paper mill (ref C). This unresolved issue remains a bilateral irritant, pending a ruling from the International Court of Justice on the GOA's claim that Uruguay violated the terms of a treaty governing the use of the Uruguay River.

Comment -----

- $\P 10$. (C) The MFA has had a string of misfortunes, and it is hard to identify a single countervailing success story. Indeed, the MFA's appalling record led to rumors that Taiana was on his way out. Garcia-Moritan may be blameless for the MFA's mishaps, but his departure may be enough for now to appease CFK and her inner circle of advisors. In the March 12 "Clarin," influential columnist Eduardo van der Kooy noted CFK's stated desire to re-insert Argentina into global affairs. Van der Kooy claims that Taiana is still in good standing with CFK, who is looking to fill the vacancy left by Garcia-Moritan with a political appointee in tune with her
- 111. (C) Roberto Garcia-Moritan has consistently been a good and reasonable interlocutor for the Embassy. He has provided confidential and good advice in dealing with the MFA. During

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the recent OAS debate on Colombia and Ecuador, he was the official who assured that the GOA would take a more constructive role in the second part of discussion.

WAYNE